

AMENDED IN ASSEMBLY JUNE 2, 2015

AMENDED IN ASSEMBLY APRIL 20, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## ASSEMBLY BILL

**No. 692**

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### Introduced by Assembly Member Quirk

February 25, 2015

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An act to add Section 38568 to the Health and Safety Code, relating to greenhouse gases.

#### LEGISLATIVE COUNSEL'S DIGEST

AB 692, as amended, Quirk. Low-carbon transportation fuels.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to adopt a statewide greenhouse gas emissions limit to be achieved by 2020 equivalent to the statewide greenhouse gas emissions levels of 1990. The state board additionally is required to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions. Pursuant to the act, the state board has adopted the Low-Carbon Fuel Standard regulations.

This bill, commencing January 1, 2017, would require ~~the Department of Transportation, the Department of General Services, and any other state agency that is a buyer of transportation fuels to each procure at least 3% of the total aggregate amount of transportation fuel purchased by state agencies that are buyers of transportation fuel to be procured~~ from very low carbon transportation fuel sources. The bill would require

the percentage to be increased by 1% each year thereafter until January 1, 2024. The bill would require ~~each affected agency to annually the Department of General Services to coordinate with state agencies that are buyers of transportation fuel and submit a an annual progress and implementation report to the Legislature between January 1, 2018, and January 1, 2025, and would also require each affected agency to conduct a full evaluation and review of the low-carbon fuel program during 2025, as specified, with a report to be submitted to the Legislature in that regard by January 1, 2026.~~ *Legislature. The bill would authorize the Legislature to appropriate money from the Greenhouse Gas Reduction Fund to state agencies that are buyers of transportation fuel to offset any increased costs resulting from the purchase of very low carbon transportation fuel. The bill would define very low carbon transportation fuel for these purposes.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The Legislature finds and declares both of the  
2 following:  
3 (a) Low-carbon transportation fuels are an important element  
4 of the state's greenhouse gas reduction ~~policy~~ *policy*, and increasing  
5 the supply of those fuels will help the state achieve its greenhouse  
6 gas reduction goals.  
7 (b) Existing incentives for the development of low-carbon  
8 transportation fuels, including the Low-Carbon Fuel Standard  
9 regulation (Subarticle 7 (commencing with Section 95480) of  
10 Article 4 of Subchapter 10 of Chapter 1 of Division 3 of Title 17  
11 of the California Code of Regulations), the California Global  
12 Warming Solutions Act of 2006 (Division 25.5 (commencing with  
13 Section 38500) of the Health and Safety Code), and Assembly Bill  
14 118 (Chapter 750 of the Statutes of 2007), have not resulted in  
15 sufficient development of low-carbon transportation fuels.  
16 SEC. 2. Section 38568 is added to the Health and Safety Code,  
17 to read:  
18 38568. (a) Commencing January 1, 2017, ~~the Department of~~  
19 ~~Transportation, the Department of General Services, and any other~~  
20 ~~state agency that is a buyer of transportation fuels, shall each~~  
21 ~~procure at least 3 percent of the total aggregate amount of~~

1 *transportation fuel purchased by state agencies that are buyers of*  
2 *transportation fuel shall be procured from very low carbon*  
3 *transportation fuel sources. Commencing January 1, 2018, the*  
4 *amount of very low carbon transportation fuel purchased shall be*  
5 *increased every year, by 1 percent, until January 1, 2024.*

6 ~~(b) Each affected state agency shall submit, consistent with~~  
7 ~~Section 9795 of the Government Code, an annual progress and~~  
8 ~~implementation report to the Legislature commencing on January~~  
9 ~~1, 2018, with the final report to be submitted on January 1, 2025.~~  
10 ~~Each affected agency shall conduct a full evaluation and review~~  
11 ~~of the low-carbon transportation fuel program during 2025 to~~  
12 ~~consider the effectiveness of the program, including a market~~  
13 ~~analysis, and shall submit a report to the Legislature in that regard~~  
14 ~~on or before January 1, 2026.~~

15 (e)

16 (b) As used in this section, “very low carbon transportation fuel”  
17 means a liquid or gaseous transportation fuel having no greater  
18 than 40 percent of the carbon intensity of the closest comparable  
19 petroleum fuel for that year, as measured by the methodology in  
20 the low-carbon fuel standard regulation (Subarticle 7 (commencing  
21 with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of  
22 Division 3 of Title 17 of the California Code of Regulations). The  
23 carbon intensity for the transportation fuel shall include the indirect  
24 land use change emission if an agricultural commodity that is a  
25 food product is used as a feedstock for the production of the  
26 transportation fuel.

27 ~~(d)~~

28 (c) This section does not replace or modify any existing fuel  
29 standards or requirements imposed under the low-carbon fuel  
30 standard regulation.

31 (d) *The Legislature may appropriate money from the*  
32 *Greenhouse Gas Reduction Fund to state agencies that are buyers*  
33 *of transportation fuel to offset any increased costs resulting from*  
34 *the purchase of very low carbon transportation fuel.*

35 (e) *The Department of General Services shall coordinate with*  
36 *state agencies that are buyers of transportation fuel and submit*  
37 *to the Legislature, consistent with Section 9795 of the Government*

- 1 *Code, an annual progress report on actions taken pursuant to this*
- 2 *section.*

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